

AMENDED IN ASSEMBLY JULY 23, 2009

AMENDED IN SENATE MAY 21, 2009

**SENATE BILL**

**No. 256**

---

**Introduced by Senator Aanestad**

February 24, 2009

---

An act to add Section 14673.3 to the Government Code, relating to state property, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 256, as amended, Aanestad. State property: Department of the California Highway Patrol.

Existing law authorizes the Director of General Services to acquire and convey real property for the state, whenever that transfer of the real property is authorized or contemplated by law.

This bill would authorize the director to sell, lease, exchange, or any combination thereof, all or a portion of the Fir Street Property, approximately 1.69 acres of real property in the City of Chico, currently used by the Department of the California Highway Patrol as its Chico area office, that is specifically declared not to be surplus to the needs of the state. The bill would also authorize the director to use the proceeds of any sale, lease, exchange, or any combination thereof of all or a portion of the Fir Street Property to acquire the land and facilities necessary to provide a substitute location for the Chico area office of the Department of the California Highway Patrol capable of accommodating its presently necessary and future expansion, thereby making an appropriation. The bill would require the director to initially offer the Fir Street Property for disposition to the City of Chico *for local government purposes and under terms and conditions that provide for continuous operation of the state's facilities at the Fir Street*

*Property until relocation is accomplished.* The bill would authorize the director to offer the Fir Street Property to the public through a competitive selection process determined by the director to be in the best interest of the state, if the City of Chico is unable to enter an agreement for the disposition of the Fir Street Property *within 120 days after notice from the Department of General Services.* The bill would require the Department of General Services to be reimbursed for any reasonable cost or expense incurred in the disposition of the Fir Street Property from the proceeds of the disposition. The bill would also require the Department of General Services to obtain approval from the Department of Finance prior to the execution of any disposition agreement regarding the Fir Street Property, and to notify the ~~Chair~~ Chairperson of the Senate Committee on Appropriations, the ~~Chair~~ Chairperson of the Assembly Committee on Appropriations, and the ~~Chair~~ Chairperson of the Joint Legislative Budget Committee, or his or her designee, in writing of the director's intention to enter into a lease or an agreement, not less than the minimum time that the ~~Chair~~ Chairperson of the Joint Legislative Budget Committee may in each instance determine.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 14673.3 is added to the Government
- 2 Code, to read:
- 3 14673.3. (a) The Legislature finds and declares all of the
- 4 following:
- 5 (1) The state owns approximately 1.69 acres of real property
- 6 located at 995 Fir Street in the City of Chico, currently used by
- 7 the Department of the California Highway Patrol as its Chico area
- 8 office.
- 9 (2) For the purposes of this section, the real property described
- 10 in paragraph (1) shall be referred to as the "Fir Street Property."
- 11 (3) The Chico area office of the department has outgrown the
- 12 facilities on the Fir Street Property, and relocating the operations
- 13 of the Chico area office to a location that will accommodate
- 14 presently necessary and future expansion will better protect the
- 15 health and safety of the residents of the state.

1 (4) The Fir Street Property may be sold, exchanged, leased, or  
2 any combination thereof and the proceeds used to carry out the  
3 intent of the Legislature to provide a substitute location for the  
4 Chico area office of the Department of the California Highway  
5 Patrol capable of accommodating its presently necessary and future  
6 expansion.

7 (5) Because the subject property is unsuitable to the needs of  
8 the state rather than surplus, the Legislature hereby finds and  
9 declares that the disposition of the Fir Street Property authorized  
10 by this section does not constitute a sale or other disposition of  
11 surplus state property within the meaning of Section 9 of Article  
12 III of the California Constitution and shall not be subject to  
13 subdivision (g) of Section 11011.

14 (b) The Director of General Services may sell, exchange, lease,  
15 or any combination thereof, all or a portion of the Fir Street  
16 Property. The director shall use the proceeds of any sale, exchange,  
17 lease, or any combination thereof made pursuant to this subdivision  
18 to acquire the land and facilities described in subdivision (g) to  
19 provide a substitute location for the Chico area office of the  
20 Department of the California Highway Patrol capable of  
21 accommodating its presently necessary and future expansion.

22 (c) The director shall initially offer the Fir Street Property for  
23 disposition, pursuant to the authorization described in subdivision  
24 (b), to the City of Chico *for purposes of a local government-owned*  
25 *facility, and under terms and conditions that provide for continuous*  
26 *operation of the state's facilities at the Fir Street Property until*  
27 *relocation is accomplished.* If the City of Chico is unable to enter  
28 into an agreement for the disposition of the Fir Street Property  
29 *within 120 days after notice from the Department of General*  
30 *Services,* the director may offer the Fir Street Property for  
31 disposition, as described in subdivision (b), to the public through  
32 a competitive selection process determined by the director to be  
33 in the best interest of the state.

34 (d) Any exchange, lease, or sale of properties carried out  
35 pursuant to this section shall be for no less than fair market value,  
36 as determined by an independent appraisal *approved by the*  
37 *Department of General Services* or pursuant to a competitive  
38 selection process. Compensation for the Fir Street Property may  
39 include land, or a combination of land, improvements, and money.

(e) The Department of General Services shall be reimbursed for any reasonable cost or expense incurred for the transactions described in this section from the proceeds of the sale, lease, exchange, or combination thereof of the Fir Street Property.

(f) For the purposes of this section, the Fir Street Property shall not be subject to the provisions of Section 11011.1 or Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.

(g) The director may enter into one or more ~~agreements or leases~~ *for the purpose of providing a substitute location for agreements, contracts, or leases to provide for continuous operation of the* Chico area office of the Department of the California Highway Patrol capable of accommodating its presently necessary and future expansion.

(h) (1) Any funds received from the sale, exchange, lease, or any combination thereof, of all or a portion of the Fir Street Property authorized by this section shall be held in trust and used only for the acquisition, lease, lease-purchase, lease with an option to purchase, or lease-purchase finance of the land and facilities identified in subdivision (g) and are hereby appropriated to the Department of General Services for expenditure for the purposes of this subdivision.

(2) For the purposes of this section, the terms “lease” or “leases” mean a lease or the selection and acquisition of a lease-purchase, lease-purchase finance, or lease with an option to purchase.

(i) Notwithstanding Section 14669, if the City of Chico fails to enter into an agreement for the disposition of the Fir Street Property, the Department of General Services shall advertise the availability of the Fir Street Property and award the sale, lease, exchange, or any combination thereof, *of all or a portion of the Fir* Street Property to the proposer offering to provide a building or buildings that meet the state’s requirements if the director determines that the sale, lease, exchange, or any combination thereof to be in the best interest of the state. The director may also lease all or part of the Fir Street Property for a period not to exceed 66 years.

(j) (1) The Department of General Services shall develop the terms and conditions of any disposition agreement regarding the Fir Street Property, and provide them to the Department of Finance for review prior to soliciting bids.

1 (2) The Department of General Services shall obtain approval  
2 from the Department of Finance prior to the execution of any  
3 disposition agreement regarding the Fir Street Property.

4 (3) The Department of General Services shall notify the ~~Chair~~  
5 *Chairperson* of the Senate Committee on Appropriations, the ~~Chair~~  
6 *Chairperson* of the Assembly Committee on Appropriations, and  
7 the ~~Chair~~ *Chairperson* of the Joint Legislative Budget Committee,  
8 or his or her designee, in writing of the director's intention to enter  
9 into a lease or an agreement, not less than the minimum time that  
10 the ~~Chair~~ *Chairperson* of the Joint Legislative Budget Committee,  
11 or his or her designee, may in each instance determine.